## **IN THE CLAIMS:**

On substitute page 10, in line 1, cancel "Patent Claims" substitute -- WE CLAIM AS OUR INVENTION: -- therefor.

Please cancel substitute claims 1-26 and substitute the following claims 27-52 therefor:

27. A method for encoding a digitized image having picture elements, said method comprising the steps of:

grouping all except at least one picture elements of a digitized image into a number of image segments, said at least one ungrouped picture element being from at least one area of said image located between image segments; and encoding only said picture elements being grouped into an image segment.

28. A method for encoding and decoding a digitized image having picture elements, said method comprising the steps of: grouping all except at least one picture elements of a digitized image into a number of image segments in a first arrangement, said at least one ungrouped picture element being from at least one area of said image located between image segments;

encoding said image in said first arrangement by only encoding said picture elements being grouped into an image segment; transmitting said encoded image segments from said first arrangement to a second arrangement;

decoding said transmitted image segments in said second arrangement;

inserting/new picture elements corresponding to said non-encoded picture elements of said encoded image in said second arrangement in an area between said decoded image segments;

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interpolating said area between said image segments in said second arrangement; and

allocating encoding information resulting from said interpolating to said new picture elements.

29. The method according to claim 27, further comprising the step of:

prior to encoding said grouped picture elements, filtering said image to be encoded.

- 30. Method according to claim 28, wherein said interpolation is performed by low-pass filtering.
- 31. The method according to claim 28, further comprising the step of:

prior to encoding said grouped picture elements, filtering said image to be encoded; and

wherein said interpolation is performed by low-pass filtering.

- 32. The method/according to claim 30, wherein said low-pass filtering is performed essentially at edges of said image segments.
- 33. The method according to claim 30, wherein said filtering is performed after said decoding.
- 34. The method according to claim 33, wherein said filtering is performed essentially at edges of said image segments.
- 35. The method according to claim 27, wherein said image segments are image blocks.

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- 36. The method according to claim 35, wherein at least respectively one picture element is not grouped into any image/block between said image blocks.
- 37. The method according to claim 28, wherein said interpolating is performed by a number of filters.
- The method according to claim 37, wherein said filters have characteristics dependent on an image quality of an image block; and wherein a strength characteristic of a filter increases with a reduction of said image quality of said image block.
- 39. The method according to claim 37, wherein said filters have characteristics dependent on a motion vector of an image block; and wherein a strength characteristic of a filter increases with a size of a motion vector being allocated to a respective image block.
- 40. The method according to claim 27, wherein said encoding is according to the H.263 standard.
- The method according to claim 28, wherein said encoding is 41. according to the H.263 standard; and wherein said encoded image is transmitted from said first arrangement to said second arrangement by employing a capability table according to the H.245 standard.
- 42. The method according to claim 27, further comprising the step of:

implementing a motion compensation upon said digitized image.

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43.	An arrangement for encoding a digitized image	having
picture elem	ents, said arrangement comprising:	
a prod	cessor unit having a processor and a memory inc	cluding
	program comprising the steps of:	

grouping all except at least one picture elements of a digitized image into a number of image segments, said at least one ungrouped picture element being from at least one area of said imagé located between image segments; and

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encoding only said picture elements being grouped into an image segment.

44. An arrangement for encoding and decoding a digitized image having picture elements, said arrangement comprising:

> a first arrangement having a first processor unit comprising a processor and a memory including a program comprising the steps of:

grouping all except at least one picture elements of a digitized image into a number of image segments, said at least/one ungrouped picture element being from at least one area of said image located between image segments; and

encoding said image by only encoding said picture elements being grouped into an image segment;

a transmitter for/transmitting said encoded image from said first arrangement to a second arrangement;

a second arrangement having a second processor unit comprising a processor and a memory including a program comprising the steps of:

> decoding said transmitted image segments; inserting new picture elements corresponding to said non

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encoded picture elements of said encoded image in said second arrangement in an area between said decoded image segments;

interpolating said area between said image segments in said second arrangement; and

allocating encoding information resulting from said interpolating to said new picture elements.

- 45. The arrangement according to claim 44, wherein said second processor unit is programmed to interpolate by low-pass filtering.
- 46. The arrangement according to claim 43, wherein said first processor unit is programmed to realize said image segments as image blocks, and wherein at least respectively one picture element is not grouped into any image block between said image blocks.
- 47. The arrangement according to claim 44, wherein said second processor unit is programmed to perform said interpolating by a number of filters.
- 48. The arrangement according to claim 47, wherein said wherein said filters have characteristics dependent on an image quality of an image block; and wherein a strength characteristic of a filter increases with a reduction of said image quality of said image block.
- 49. Arrangement according to claim 47, wherein said filters have characteristics dependent on a motion vector of an image block; and wherein a strength characteristic of a filter increases with a size of a motion vector being allocated to a respective image block.
  - 50. The arrangement according to claim 43, wherein said first